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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000198

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SUBJECT: DPP CONTENDER FRANK HSIEH ON BLUE-GREEN
CONFRONTATION, ELECTIONS AND CONSTITUTIONAL REVISION

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (B/D)

11. (C) Summary: DPP heavyweight Frank Hsieh, a contender for the party's 2008 presidential nomination, told the Director on January 22 that, as a moderate, he would work to create a more stable and harmonious political atmosphere if elected president. According to Hsieh's own current polling, while both he and Premier Su Tseng-chang, the other leading DPP contender, would lose to KMT Chairman Ma Ying-jeou individually in a presidential election, they would beat Ma if they ran together on the same ticket. Therefore, Hsieh stressed, party unity is key to the DPP's chances in 2008. The Director urged Hsieh to use his influence to ensure that the DPP's constitutional revision process did not involve sensitive sovereignty issues. Acknowledging the Director's point, Hsieh explained that some people in the party are using the constitution as a campaign issue to consolidate Deep Green support and to undermine moderates such as himself. End Summary.

12. (C) During a meeting with the Director on January 22, Frank Hsieh, former Premier and Taipei mayoral candidate and now a contender for the Democratic Progressive Party (DPP) 2008 presidential nomination, noted the standoff in the Legislative Yuan (LY) between the ruling DPP and the opposition Kuomintang (KMT). If he becomes President and the DPP does not enjoy a majority in the LY, Hsieh said, he would work to form a coalition to reach a legislative majority. Trying to govern from a minority position only produces legislative gridlock and an absence of clear responsibility, Hsieh suggested. If he had been willing to do so, President Chen could have formed a majority in the LY by making concessions to non-partisan legislators and to the other parties, for example, giving them certain cabinet appointments. While the development of democracy in Taiwan is positive, Hsieh observed, the overheated confrontation between political parties is akin to "civil war." In this confrontational atmosphere, the opposition feels compelled to attack even positive developments like the recent opening of the high-speed railway. Both the DPP and KMT need to back off their "war footing" and find ways to increase cooperation and harmony, Hsieh suggested.

Constitutional Revision

13. (C) The Director stressed the sensitivity of constitutional revision proposals that involve sovereignty issues, pointing out that raising such issues, even if they cannot pass, could damage U.S.-Taiwan relations and raise cross-Straits tensions. The Director urged Hsieh to use his influence within the DPP to ensure that constitutional discussions avoid sensitive topics. Acknowledging the Director's point, Hsieh explained that some people in the DPP have been raising the constitutional issue as part of their election campaign strategy. Their goal is to win Deep Green support and also to use the issue as a weapon in the DPP power struggle, for example, by trying to portray Hsieh as irresolute on independence. Some DPP members would like to hold a referendum on constitutional revision. Given an opportunity, Deep Green extremists would dominate such a debate, drowning out voices of moderation and compromise.

14. (C) It is good that the LY has such a high threshold for constitutional change, Hsieh suggested, because it forces political parties to compromise with each other to make such changes. Although a lawyer himself, Hsieh said he found it very difficult to understand the current constitution, because revisions are contained in supplementary articles at the end of the constitution rather than being incorporated in the text itself. To determine whether a particular article in the constitution still applies, it is necessary to go through the supplementary provisions.

Upcoming Elections

15. (C) Hsieh noted that although he supports Taiwan autonomy, he is not an extremist. Therefore, he did not use

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emotional themes such as "Taiwanese sadness" (or victimization) in campaigning. He hoped the DPP as a whole would adopt this moderate approach. In his presidential campaign, Hsieh told the Director, he would emphasize the themes of increasing political stability, restoring trust in U.S.-Taiwan relations and promoting long-term peaceful cross-Straits relations.

16. (C) Hsieh predicted that President Chen will have an influence on selecting the DPP's presidential candidate because he can control the 15-20 percent of the population who strongly support him. In addition to the four well-known potential DPP presidential candidates (Hsieh, VP Annette Lu, Premier Su Tseng-chang, and DPP Chairman Yu Shyi-kun), some people close to former acting Kaohsiung Mayor Yeh Chu-lan are encouraging her to join the race, Hsieh noted. He pointed out that Yeh, who is a member of the significant Hakka minority with ties to the Deep Green, would be a strong addition to a DPP ticket. With the possible exception of VP Lu, all potential candidates appear prepared to accept the verdict of the party's primary process. However, Lu, who has not made any mistakes recently, may believe that it is normal practice for a vice president to become a presidential candidate. The trial of First Lady Wu Shu-chen (which implicates President Chen) is an important factor. This trial could be completed about the time the DPP selects its presidential candidate in May. If there is a verdict against Wu and Chen steps down, then Lu would become President, which would open new opportunities for her.

17. (C) Hsieh noted that President Chen has ensured that he, Premier Su, and Chairman Yu all have about the same resumes, all having served as premier and party chairman, for example. It is important for the DPP to select the presidential candidate most able to defeat the KMT candidate, Hsieh said, adding also that party unity will be a key factor in the election.

18. (C) At this stage, Hsieh said, the KMT's Ma Ying-jeou is the strongest potential presidential candidate on either

side. However, while Ma can defeat any potential DPP candidate on an individual basis, a unified DPP ticket can beat Ma by a small margin. Noting that he has been commissioning his own public opinion polls, Hsieh explained that on an individual basis he and Su each poll about 35-36 percent against Ma's 42 percent. However, a combined ticket (either Su - Hsieh or Hsieh - Su) beats Ma by a narrow margin. Hsieh added that Ma's future will hinge on the outcome of the special mayoral allowance case. If Ma is indicted, rivals within the KMT will emerge and seek the party's presidential nomination.

The Cross-Strait Issue

19. (C) Hsieh suggested that a future Taiwan government, no matter which party is in control, will not be able to negotiate well with the PRC if there are major divisions domestically over cross-Strait policy. He expressed hope that the DPP and KMT will be able to reach a broad consensus on the cross-Strait issue, adding that a consensus already exists on not allowing the PRC to control Taiwan. In addition, having moved closer to the DPP's positions, Ma Ying-jeou now accepts the principles of maintaining the cross-Strait status quo, insisting on self-determination of Taiwan's future, and increasing domestic political harmony. The DPP should not criticize Ma when he expresses such ideas, Hsieh maintained. Unfortunately, however, extremists on both sides take over during Taiwan election campaigns, and the middle ground of the political spectrum temporarily disappears. During election seasons, the bell-shaped normal distribution of public opinion on cross-Strait issues (independence-status quo-unification) becomes a bipolar "U" shaped distribution. Hsieh said he hoped that the new LY election format of one-on-one elections will eliminate political extremists and result in a more moderate cadre of legislators

Comment

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110. (C) Following his quite respectable showing in losing the Taipei mayoral election last December, Frank Hsieh has emerged as one of the two solid front-runners for the DPP presidential nomination, the other being Premier Su. As Hsieh and some others have pointed out, many in the party believe that the strongest DPP ticket would combine Hsieh and Su, one as the presidential and the other as the vice presidential candidate. The fly in the ointment, however, is which man will accept second place on the party's presidential ticket. Hsieh may believe that, given his greater polish and international exposure compared to Su, he would be the more logical presidential candidate. Several DPP leaders have expressed hope the party's presidential candidate can be determined through consultation, avoiding a bruising, divisive primary battle. Hsieh's remarks about people using the constitutional issue for campaign purposes may refer to DPP Chairman Yu Shyi-kun.

YOUNG